

ORIGINAL

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

DOCKET # 95-157  
RM-8643  
COPY ORIGINAL

RECEIVED

JUN 10 1996

Amendment to the Commission's Rules ) WT Docket No. 95-157  
Regarding a Plan for Sharing ) RM-8643  
the Costs of Microwave Relocation )

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

**COMMENTS OF AMERICAN PORTABLE TELECOM, INC.**

American Portable Telecom, Inc. (APT) hereby submits its comments on the proposals to establish a cost sharing clearinghouse submitted by the Personal Communications Industry Association (PCIA) and the Industrial Telecommunications Association (ITA). Until one week prior to the Wireless Bureau's tentative conclusion that PCIA should be designated as the cost sharing clearinghouse, APT was unaware that ITA was interested in performing this role. Not until after May 30, 1996, did ITA approach APT for its views on the cost sharing mechanism or clearinghouse administration. APT is unaware of any other PCS providers who have worked with ITA.

It, therefore, is not surprising that ITA's proposal raises serious concerns for the PCS industry. In contrast, that industry, including APT, has worked with PCIA to develop a clearinghouse proposal that will facilitate microwave relocation and the deployment of PCS. APT also fears that "competition" between clearinghouses will increase the costs of administration to the industry by duplicating the resources necessary to run a clearinghouse. Because the FCC has required that any entity designated to serve as a clearinghouse be non-profit, fees by definition must approximate costs. It follows that additional clearinghouses will only increase those

No. of Copies rec'd  
List ABOVE

024

costs. APT therefore urges the Wireless Bureau to designate PCIA as the clearinghouse to administer the Commission's cost sharing plan.

**I. ITA'S PROPOSAL IMPROPERLY FAILS TO INCLUDE INDUSTRY PARTICIPATION IN THE GOVERNANCE OF THE CLEARINGHOUSE**

The clearinghouse proposed by ITA will be run by ITA staff with no input from the PCS industry. APT believes that this is unwise and that industry participation is critical to the responsiveness of the clearinghouse. For this reason, PCIA has proposed that its clearinghouse be governed by a Board of Directors elected from among all clearinghouse participants, who will be most familiar with the cost sharing process and the needs of the industry. APT submits that any clearinghouse approved by the Bureau should be required to include such PCS licensee participation.

The absence of PCS industry participation in the ITA clearinghouse takes on additional significance because Mark Crosby, the ITA President and Chief Executive Officer, has been acting as a consultant to microwave incumbents in relocation negotiations. Mr. Crosby's role as an advocate for individual incumbents suggests that the ITA clearinghouse may not be administered in a neutral and impartial manner. This concern is exacerbated further by ITA's proposal to sell products that may include competitively sensitive information about PCS deployments. Such information must be assured of complete confidentiality and security when submitted to any clearinghouse operation.

## II. ITA'S FINANCIAL SHOWING IS SUSPECT

APT has put significant resources into studying cost sharing and the clearinghouse concept and believes that the assumptions underlying the ITA business plan are inconsistent with the industry's general expectations for microwave relocation. ITA's prediction that it will have 4,000 link registrations during its first two years of operation is out-of-line with current industry relocation efforts and inconsistent with the existence of multiple clearinghouses. Because ITA predicts that its costs will be approximately \$1.8 million during the first two years of operation, a shortfall in revenues could be very disruptive to the cost sharing -- and relocation -- process.<sup>1</sup>

ITA's revenue predictions are especially important since it proposes initially to fund the clearinghouse through the internal funds of ITA and Moffet, Larson & Johnson. Moffet, Larson & Johnson, an APT contractor, denies that it intends to "fund" ITA in any fashion. ITA has provided no balance sheet to show that it is financially capable of sustaining the clearinghouse absent receipt of the projected fee revenues. If ITA were to cease operations because of insufficient revenue, those PCS licensees who had chosen to utilize ITA would have paid registration fees for services that would never be provided. By comparison, APT and other A and B block PCS licensees have committed to funding the PCIA clearinghouse for its first year of operation.

---

<sup>1</sup> See ITA Business Plan for the Administration of a 2 GHz Microwave Relocation Cost-Sharing Clearinghouse, WT Docket No. 95-157 at 83, 92 (filed May 24, 1996).

### III. CONCLUSION

APT has worked with other PCS licensees to develop PCIA's clearinghouse proposal. This plan incorporates industry participation through the Board of Directors, but interposes a professional staff to ensure that confidentiality and neutrality are maintained. PCIA has based its cost and revenue estimates on conservative assumptions and has benefitted from input by the industry. Moreover, PCIA has committed to reduce fees if excess funds are collected and, at dissolution, will refund any remaining funds after expenses and upfront funding have been repaid.

Accordingly, APT urges the Bureau to designate PCIA as the clearinghouse to administer the cost sharing mechanism. PCIA, together with the industry, developed the cost sharing and clearinghouse concepts and has produced a sound, conservative proposal. Although competition generally promotes better service, in a non-profit context, multiple entities only will increase costs. If the Bureau nonetheless decides that it must certify more than one clearinghouse, it must first address the serious problems APT has identified with the ITA plan, i.e. neutrality, confidentiality, and adequacy of funding.

Respectfully submitted,

AMERICAN PORTABLE TELECOM, INC.

By: Brian T. O'Connor  
Brian T. O'Connor  
Director of External Affairs  
American Portable Telecom, Inc.  
8410 West Bryn Mawr, Suite 1100  
Chicago, Illinois 60631  
(312) 399-7464